

Wayne A. Harper proposes the following substitute bill:

Housing and Transit Reinvestment Zone Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

House Sponsor: James A. Dunnigan

LONG TITLE

General Description:

This bill amends provisions relating to a housing and transit reinvestment zone.

Highlighted Provisions:

This bill:

- redefines the term "base year";
- defines the term "extraterritorial affordable housing";
- amends terms;
- amends certain requirements and exceptions for boundary adjustments for certain investment zones;
- modifies provisions regarding approval of certain investment zone proposals;
- amends certain provisions regarding an existing community reinvestment project; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

- 63N-3-602**, as last amended by Laws of Utah 2025, Chapter 29
- 63N-3-603**, as last amended by Laws of Utah 2025, First Special Session, Chapter 15
- 63N-3-604**, as last amended by Laws of Utah 2025, Chapter 29
- 63N-3-604.1**, as enacted by Laws of Utah 2025, Chapter 29
- 63N-3-605**, as last amended by Laws of Utah 2025, Chapter 29
- 63N-3-607**, as last amended by Laws of Utah 2025, Chapter 404
- 63N-3-608**, as last amended by Laws of Utah 2025, Chapter 29

29 63N-3-611, as last amended by Laws of Utah 2025, Chapter 29

30 63N-3-1603, as enacted by Laws of Utah 2024, Chapter 537

31 63N-3-1609, as enacted by Laws of Utah 2024, Chapter 537



32
33 *Be it enacted by the Legislature of the state of Utah:*

34 Section 1. Section 63N-3-602 is amended to read:

35 **63N-3-602 . Definitions.**

36 As used in this part:

37 (1) "Affordable housing" means housing occupied or reserved for occupancy by households
38 with a gross household income:

39 (a) equal to or less than 80% of the county median gross income for households of the
40 same size, in certain circumstances as provided in this part; or

41 (b) equal to or less than 60% of the county median gross income for households of the
42 same size, in certain circumstances as provided in this part.

43 (2) "Agency" means the same as that term is defined in Section 17C-1-102.

44 (3) "Base taxable value" means a property's taxable value as shown upon the assessment
45 roll last equalized during the base year.

46 (4) "Base year" means, ~~[for each property tax increment collection period triggered within a
47 proposed housing and transit reinvestment zone or convention center reinvestment zone
48 project area, the calendar year prior to the calendar year the property tax increment
49 begins to be collected for the parcels that are in a project that is triggered for that
50 collection period]~~ for a proposed housing and transit reinvestment zone, convention
51 center reinvestment zone project area, first home investment zone, or home ownership
52 promotion zone, the calendar year immediately preceding the calendar year in which the
53 first year of property tax increment collection is triggered.

54 (5) "Bus rapid transit" means a high-quality bus-based transit system that delivers fast and
55 efficient service that may include dedicated lanes, busways, traffic signal priority,
56 off-board fare collection, elevated platforms, and enhanced stations.

57 (6) "Bus rapid transit station" means an existing station, stop, or terminal, or a proposed
58 station, stop, or terminal that is specifically identified as needed in phase one of a
59 metropolitan planning organization's adopted long-range transportation plan~~[-and in
60 phase one of the relevant public transit district's adopted long-range transit plan]:~~

61 (a) along an existing bus rapid transit line; or

62 (b) along an extension to an existing bus rapid transit line or new bus rapid transit line.

- 63 (7) "Capital city" means the same as that term is defined in Section 17D-4-102.
- 64 (8)(a) "Commuter rail" means a regional passenger rail transit facility operated by a
65 large public transit district.
- 66 (b) "Commuter rail" does not include a light-rail passenger rail facility of a large public
67 transit district.
- 68 (9) "Commuter rail station" means an existing station, stop, or terminal, or a proposed
69 station, stop, or terminal, which has been specifically identified as needed in phase one
70 of a metropolitan planning organization's adopted long-range transportation plan~~[-and in
71 phase one of the relevant public transit district's adopted long-range transit plan]:~~
- 72 (a) along an existing commuter rail line;
- 73 (b) along an extension to an existing commuter rail line or new commuter rail line;
- 74 (c) along a fixed guideway extension from an existing commuter rail line; or
- 75 (d) at the landing point of a pedestrian bridge or vehicle bridge extending from an
76 existing commuter rail station.
- 77 (10) "Convention center" means a convention center owned by a county of the first class
78 within a city of the first class.
- 79 (11) "Convention center revitalization project" means a project within a city of the first
80 class within a county of the first class for the revitalization, activation, and
81 modernization of a convention center and the surrounding area, including projects
82 meeting the objectives described in Section 63N-3-603.1.
- 83 (12) "Convention center reinvestment zone" means a convention center reinvestment zone
84 created under this part.
- 85 (13)(a) "Developable area" means the portion of land within a housing and transit
86 reinvestment zone available for development and construction of business and
87 residential uses.
- 88 (b) "Developable area" does not include portions of land within a housing and transit
89 reinvestment zone that are allocated to:
- 90 (i) parks;
- 91 (ii) recreation facilities;
- 92 (iii) open space;
- 93 (iv) trails;
- 94 (v) publicly-owned roadway facilities; or
- 95 (vi) other public facilities.
- 96 (14) "Dwelling unit" means one or more rooms arranged for the use of one or more

- 97 individuals living together, as a single housekeeping unit normally having cooking,
98 living, sanitary, and sleeping facilities.
- 99 (15) "Eligible municipality" means a city that:
- 100 (a)(i) is the county seat of a county of the first class; or
101 (ii) a city of the first class located in a county of the first class; and
102 (b) has a convention center within the boundary of the city.
- 103 (16) "Enhanced development" means the construction of mixed uses including housing,
104 commercial uses, and related facilities.
- 105 (17) "Enhanced development costs" means extra costs associated with structured parking
106 costs, vertical construction costs, horizontal construction costs, life safety costs,
107 structural costs, conveyor or elevator costs, and other costs incurred due to the increased
108 height of buildings or enhanced development.
- 109 (18) "First home investment zone" means the same as that term is defined in Section
110 63N-3-1601.
- 111 (19) "Fixed guideway" means the same as that term is defined in Section 59-12-102.
- 112 (20) "Horizontal construction costs" means the additional costs associated with earthwork,
113 over excavation, utility work, transportation infrastructure, and landscaping to achieve
114 enhanced development in the housing and transit reinvestment zone.
- 115 (21) "Housing and transit reinvestment zone" means a housing and transit reinvestment
116 zone created [~~pursuant to~~] in accordance with this part.
- 117 (22) "Housing and transit reinvestment zone committee" means a housing and transit
118 reinvestment zone committee created [~~pursuant to~~] in accordance with Section 63N-3-605.
- 119 (23) "Large public transit district" means the same as that term is defined in Section
120 17B-2a-802.
- 121 (24) "Light rail" means a passenger rail public transit system with right-of-way and fixed
122 rails:
- 123 (a) dedicated to exclusive use by light-rail public transit vehicles;
124 (b) that may cross streets at grade; and
125 (c) that may share parts of surface streets.
- 126 (25) "Light rail station" means an existing station, stop, or terminal or a proposed station,
127 stop, or terminal, which has been specifically identified as needed in phase one of a
128 metropolitan planning organization's adopted long-range transportation plan[~~and in~~
129 ~~phase one of the relevant public transit district's adopted long-range plan~~]:
130 (a) along an existing light rail line; or

- 131 (b) along an extension to an existing light rail line or new light rail line.
- 132 (26) "Metropolitan planning organization" means the same as that term is defined in
133 Section 72-1-208.5.
- 134 (27) "Mixed use development" means development with a mix of:
135 (a) multi-family residential use; and
136 (b) at least one additional land use, which shall be a significant part of the overall
137 development.
- 138 (28) "Municipality" means the same as that term is defined in Section 10-1-104.
- 139 (29) "Participant" means the same as that term is defined in Section 17C-1-102.
- 140 (30) "Participation agreement" means the same as that term is defined in Section 17C-1-102,
141 except that the agency may not provide and the person may not receive a direct subsidy.
- 142 (31) "Project area" means a housing and transit reinvestment zone~~[-or]~~ , convention center
143 reinvestment zone, or convention center reinvestment zone in a capital city created under
144 this [part] chapter.
- 145 (32) "Project area plan" means the same as that term is defined in Section 17C-1-102.
- 146 [~~(32)~~] (33)(a) "Property tax increment" means the difference between:
147 (i) the amount of property tax revenue generated each tax year by a taxing entity from
148 the area within a housing and transit reinvestment zone~~[-or]~~ , convention center
149 reinvestment zone, or convention center reinvestment zone in a capital city
150 designated in the applicable reinvestment zone proposal as the area from which
151 tax increment is to be collected, using the current assessed value and each taxing
152 entity's current certified tax rate as defined in Section 59-2-924; and
153 (ii) the amount of property tax revenue that would be generated from that same area
154 using the base taxable value and each taxing entity's current certified tax rate as
155 defined in Section 59-2-924.
- 156 (b) "Property tax increment" does not include property tax revenue from:
157 (i) a multicounty assessing and collecting levy described in Subsection 59-2-1602(2);
158 (ii) a county additional property tax described in Subsection 59-2-1602(4); or
159 (iii) a public library fund levy described in Subsection 9-7-501(2).
- 160 [~~(33)~~] (34) "Public transit county" means a county that has created a small public transit
161 district.
- 162 [~~(34)~~] (35) "Public transit hub" means a public transit depot or station where four or more
163 routes serving separate parts of the county-created transit district stop to transfer riders
164 between routes.

165 [~~(35)~~] (36) "Sales and use tax base year" means:

- 166 (a) for a housing and transit reinvestment zone, a sales and use tax year determined by
- 167 the first year pertaining to the tax imposed in Section 59-12-103 after the sales and
- 168 use tax boundary for a housing and transit reinvestment zone is established; or
- 169 (b) for a convention center reinvestment zone, a sales and use tax year determined by the
- 170 year specified in the approved proposal for a convention center reinvestment zone,
- 171 pertaining to the taxes:
 - 172 (i) imposed under Section 59-12-103;
 - 173 (ii) imposed by a city of the first class in a county of the first class under Title 59,
 - 174 Chapter 12, Part 2, Local Sales and Use Tax Act;
 - 175 (iii) imposed by a city of the first class in a county of the first class under Section
 - 176 59-12-402.1;
 - 177 (iv) imposed by a county of the first class under Section 59-12-1102; and
 - 178 (v) imposed by a county of the first class under Title 59, Chapter 12, Part 22, Local
 - 179 Option Sales and Use Taxes for Transportation Act.

180 [~~(36)~~] (37) "Sales and use tax boundary" means:

- 181 (a) for a housing and transit reinvestment zone, a boundary created as described in
- 182 Section 63N-3-604, based on state sales and use tax collection boundaries that
- 183 correspond as closely as reasonably practicable to the housing and transit
- 184 reinvestment zone boundary; or
- 185 (b) for a convention center reinvestment zone, a boundary created as described in
- 186 Section 63N-3-604.1, based on state sales and use tax collection boundaries that
- 187 correspond as closely as reasonably practicable to the convention center reinvestment
- 188 zone boundary.

189 [~~(37)~~] (38) "Sales and use tax increment" means:

- 190 (a) for a housing and transit reinvestment zone, the difference between:
 - 191 (i) the amount of state sales and use tax revenue generated each year following the
 - 192 sales and use tax base year by the sales and use tax from the area within a housing
 - 193 and transit reinvestment zone designated in the housing and transit reinvestment
 - 194 zone proposal as the area from which sales and use tax increment is to be
 - 195 collected; and
 - 196 (ii) the amount of state sales and use tax revenue that was generated from that same
 - 197 area during the sales and use tax base year; or
- 198 (b) for a convention center reinvestment zone, the difference between:

- 199 (i) the amount of sales and use tax revenue generated each year following the sales
 200 and use tax base year by the sales and use tax from the area within a convention
 201 center reinvestment zone designated in the convention center reinvestment zone
 202 proposal as the area from which sales and use tax increment is to be collected; and
 203 (ii) the amount of sales and use tax revenue that was generated from that same area
 204 during the sales and use tax base year.

205 [~~(38)~~] (39) "Sales and use tax revenue" means:

- 206 (a) for a housing and transit reinvestment zone, revenue that is generated from the tax
 207 imposed under Section 59-12-103; or
 208 (b) for a convention center reinvestment zone, revenue that is generated from:
 209 (i) the sales and use taxes imposed under Section 59-12-103; and
 210 (ii) the sales and use taxes:
 211 (A) imposed by a city of the first class in a county of the first class under Title 59,
 212 Chapter 12, Part 2, Local Sales and Use Tax Act;
 213 (B) imposed by a city of the first class in a county of the first class under Section
 214 59-12-402.1;
 215 (C) imposed by a county of the first class under Section 59-12-1102; and
 216 (D) imposed by a county of the first class under Title 59, Chapter 12, Part 22,
 217 Local Option Sales and Use Taxes for Transportation Act.

218 [~~(39)~~] (40) "Small public transit district" means the same as that term is defined in Section
 219 17B-2a-802.

220 [~~(40)~~] (41) "Tax Commission" means the State Tax Commission created in Section 59-1-201.

221 [~~(41)~~] (42) "Taxing entity" means the same as that term is defined in Section 17C-1-102.

222 [~~(42)~~] (43) "Vertical construction costs" means the additional costs associated with
 223 construction above four stories and structured parking to achieve enhanced development
 224 in the housing and transit reinvestment zone.

225 Section 2. Section **63N-3-603** is amended to read:

226 **63N-3-603 . Applicability, requirements, and limitations on a housing and transit**
 227 **reinvestment zone.**

228 (1) A housing and transit reinvestment zone proposal created under this part shall
 229 demonstrate how the proposal addresses the following objectives:

- 230 (a) higher utilization of public transit;
 231 (b) increasing availability of housing, including affordable housing, and fulfillment of
 232 moderate income housing plans;

- 233 (c) promoting and encouraging development of owner-occupied housing;
- 234 (d) improving efficiencies in parking and transportation, including walkability of
- 235 communities near public transit facilities;
- 236 (e) overcoming development impediments and market conditions that render a
- 237 development cost prohibitive absent the proposal and incentives;
- 238 (f) conserving water resources through efficient land use;
- 239 (g) improving air quality by reducing fuel consumption and motor vehicle trips;
- 240 (h) encouraging transformative mixed-use development and investment in transportation
- 241 and public transit infrastructure in strategic areas;
- 242 (i) strategic land use and municipal planning in major transit investment corridors as
- 243 described in Subsection 10-20-404(2);
- 244 (j) increasing access to employment and educational opportunities; and
- 245 (k) increasing access to child care.
- 246 (2)(a) In order to accomplish the objectives described in Subsection (1), a municipality
- 247 or public transit county that initiates the process to create a housing and transit
- 248 reinvestment zone as described in this part shall ensure that the proposal for a
- 249 housing and transit reinvestment zone includes:
- 250 (i) except as provided in Subsection (3), at least 12% of the proposed dwelling units
- 251 within the housing and transit reinvestment zone are affordable housing units,
- 252 with:
- 253 (A) up to 9% of the proposed dwelling units occupied or reserved for occupancy
- 254 by households with a gross household income equal to or less than 80% of the
- 255 county median gross income for households of the same size; and
- 256 (B) at least 3% of the proposed dwelling units occupied or reserved for occupancy
- 257 by households with a gross household income equal to or less than 60% of the
- 258 county median gross income for households of the same size;
- 259 (ii) except as provided in Subsection (2)(c), a housing and transit reinvestment zone
- 260 shall include:
- 261 (A) at least 51% of the developable area within a housing and transit reinvestment
- 262 zone as residential uses; and
- 263 (B) an average of at least 50 dwelling units per acre within the acreage of the
- 264 housing and transit reinvestment zone dedicated to residential uses;
- 265 (iii) mixed-use development; and
- 266 (iv) a mix of dwelling units to ensure that at least 25% of the dwelling units have

- 267 more than one bedroom.
- 268 (b)(i) If a housing and transit reinvestment zone is phased, a municipality or public
269 transit county shall ensure that a housing and transit reinvestment zone is phased
270 and developed to provide the required 12% of affordable housing units in each
271 phase of development.
- 272 (ii) A municipality or public transit county may allow a housing and transit
273 reinvestment zone to be phased and developed in a manner to provide more of the
274 required affordable housing units in early phases of development.
- 275 (iii) A municipality or public transit county shall include in a housing and transit
276 reinvestment zone proposal an affordable housing plan, which may include deed
277 restrictions, to ensure the affordable housing required in the proposal will continue
278 to meet the definition of affordable housing at least throughout the entire term of
279 the housing and transit reinvestment zone.
- 280 (c) For a housing and transit reinvestment zone proposed by a public transit county at a
281 public transit hub, or for a housing and transit reinvestment zone proposed by a
282 municipality at a bus rapid transit station, the housing and transit reinvestment zone
283 shall include:
- 284 (i) at least 51% of the developable area within a housing and transit reinvestment
285 zone as residential uses; and
- 286 (ii) an average of at least 39 dwelling units per acre within the acreage of the housing
287 and transit reinvestment zone dedicated to residential uses.
- 288 (3) A municipality or public transit county that, at the time the housing and transit
289 reinvestment zone proposal is approved by the housing and transit reinvestment zone
290 committee, meets the affordable housing guidelines of the United States Department of
291 Housing and Urban Development at 60% area median income is exempt from the
292 requirement described in Subsection (2)(a).
- 293 (4)(a) A municipality may only propose a housing and transit reinvestment zone at a
294 commuter rail station, and a public transit county may only propose a housing and
295 transit reinvestment zone at a public transit hub, that:
- 296 (i) subject to Subsection (5)(a):
- 297 (A)(I) except as provided in Subsection (4)(a)(i)(A)(II), for a municipality,
298 does not exceed a [1/3] one-third mile radius of a commuter rail station;
- 299 (II) for a municipality that is a city of the first or second class that is within a
300 county of the first or second class, with an opportunity zone created in

301 accordance with Section 1400Z-1, Internal Revenue Code, does not exceed
302 a [~~1/2~~] one-half mile radius of a commuter rail station located within the
303 opportunity zone; or

304 (III) for a public transit county, does not exceed a [~~1/3~~] one-third mile radius of
305 a public transit hub; and

306 (B) has a total area of no more than 125 noncontiguous acres;

307 (ii) subject to Section 63N-3-607, proposes the capture of a maximum of 80% of each
308 taxing entity's property tax increment above the base year for a term of no more
309 than 25 consecutive years on each parcel within a 45-year period not to exceed the
310 property tax increment amount approved in the housing and transit reinvestment
311 zone proposal; and

312 (iii) the commencement of collection of property tax increment, for all or a portion of
313 the housing and transit reinvestment zone project area, shall be triggered by
314 providing notice as described in Subsection (6), but a housing and transit
315 reinvestment zone proposal may not propose or include triggering more than [~~three~~]
316 five property tax increment collection periods for the same project during the
317 applicable 45-year period.

318 (b) A municipality or public transit county may only propose a housing and transit
319 reinvestment zone at a light rail station or bus rapid transit station that:

320 (i) subject to Subsection (5):

321 (A) does not exceed:

322 (I) except as provided in Subsection (4)(b)(i)(A)(II), (III), or (4)(e), a [~~1/4~~]
323 one-quarter mile radius of a bus rapid transit station or light rail station;

324 (II) for a municipality that is a city of the first class with a population greater than 150,000 that
325 is within a county of the first class, a [~~1/2~~] one-half mile radius of a light rail station located in
326 an opportunity zone created in accordance with Section 1400Z-1, Internal Revenue Code; or
327 [~~1400Z-1, Internal Revenue Code; or~~]

328 (III) a [~~1/2~~] one-half mile radius of a light rail station located within a
329 master-planned development of 500 acres or more; and

330 (B) has a total area of no more than 100 noncontiguous acres;

331 (ii) subject to Subsection (4)(c) and Section 63N-3-607, proposes the capture of a
332 maximum of 80% of each taxing entity's property tax increment above the base
333 year for a term of no more than 15 consecutive years on each parcel within a
334 30-year period not to exceed the property tax increment amount approved in the

- 335 housing and transit reinvestment zone proposal; and
- 336 (iii) the commencement of collection of property tax increment, for all or a portion of
- 337 the housing and transit reinvestment zone project area, shall be triggered by
- 338 providing notice as described in Subsection (6), but a housing and transit
- 339 reinvestment zone proposal may not propose or include triggering more than [
- 340 ~~three~~] five property tax increment collection periods for the same project during
- 341 the applicable 30-year period.
- 342 (c) For a housing and transit reinvestment zone proposed by a public transit county at a
- 343 public transit hub, or for a housing and transit reinvestment zone proposed by a
- 344 municipality at a bus rapid transit station, if the proposed housing density within the
- 345 housing and transit reinvestment zone is between 39 and 49 dwelling units per acre,
- 346 the maximum capture of each taxing entity's property tax increment above the base
- 347 year is 60%.
- 348 (d) A municipality that is a city of the first class with a population greater than 150,000
- 349 in a county of the first class as described in Subsections (4)(a)(i)(A)(II) and
- 350 (4)(b)(i)(A)(II) may only propose one housing and transit reinvestment zone within
- 351 an opportunity zone.
- 352 (e)(i) Subject to Subsection (4)(e)(ii), the radius restrictions described in Subsection
- 353 (4)(b)(i) do not apply, and a housing and transit reinvestment zone may extend to
- 354 an area between two or three light rail or bus rapid transit stations located within a
- 355 city of the third or fourth class if the two or three light rail or bus rapid transit
- 356 stations are within a .95 mile distance from the other light rail or bus rapid transit
- 357 stations on the same light rail line or dedicated offset bus lane.
- 358 (ii) If a housing and transit reinvestment zone is extended to accommodate two light
- 359 rail or bus rapid transit stations as described in Subsection (4)(e)(i):
- 360 (A) the housing and transit reinvestment zone is limited to a total area not to
- 361 exceed 100 noncontiguous acres; and
- 362 (B) the housing and transit reinvestment zone may not exceed a [~~1/4~~] one-quarter
- 363 mile radius from the light rail or bus rapid transit stations or any point on the
- 364 light rail line or dedicated offset bus line between the two stations.
- 365 (iii) If a housing and transit reinvestment zone is extended to accommodate three
- 366 light rail or bus rapid transit stations as described in Subsection (4)(e)(i):
- 367 (A) the housing and transit reinvestment zone is limited to a total area not to
- 368 exceed 250 noncontiguous acres; and

369 (B) the housing and transit reinvestment zone may not exceed a one-quarter mile
370 radius from the light rail or bus rapid transit stations or any point on the light
371 rail line or dedicated offset bus line between the three stations.

372 (f) If a parcel within the housing and transit reinvestment zone is included as an area that
373 is part of a project area, as that term is defined in Section 17C-1-102, and created
374 under Title 17C, Chapter 1, Agency Operations, that parcel may not be triggered for
375 collection unless the project area funds collection period, as that term is defined in
376 Section 17C-1-102, has expired.

377 (5)(a) For a housing and transit reinvestment zone for a commuter rail station, if a parcel
378 is intersected by the relevant radius limitation, the full parcel may be included as part
379 of the housing and transit reinvestment zone area and will not count against the
380 limitations described in Subsection (4)(a)(i).

381 (b) For a housing and transit reinvestment zone for a light rail or bus rapid transit
382 station, if a parcel is intersected by the relevant radius limitation, the full parcel may
383 be included as part of the housing and transit reinvestment zone area and will not
384 count against the limitations described in Subsection (4)(b)(i).

385 (c) A housing and transit reinvestment zone may not be smaller than 10 acres.

386 (6)(a) The notice of commencement of collection of property tax increment required in
387 Subsection (4)(a)(iii) or (4)(b)(iii) shall be sent by mail or electronically to the
388 following entities no later than December 31 of the year before the year for which the
389 property tax increment collection is proposed to commence:

390 (i) the State Tax Commission;

391 (ii) the State Board of Education;

392 (iii) the state auditor;

393 (iv) the auditor of the county in which the housing and transit reinvestment zone is
394 located;

395 (v) each taxing entity affected by the collection of property tax increment from the
396 housing and transit reinvestment zone; and

397 (vi) the Governor's Office of Economic Opportunity.

398 (b) The notice described in Subsection (4)(a)(iii) or (4)(b)(iii) may not be triggered until
399 the date on which the housing and transit reinvestment zone proposal is approved by
400 the housing and transit reinvestment zone committee.

401 (7)(a) The maximum number of housing and transit reinvestment zones at light rail
402 stations, not including a convention center reinvestment zone, is eight in any given

- 403 county.
- 404 (b) Within a county of the first class, the maximum number of housing and transit
405 reinvestment zones at bus rapid transit stations is three.
- 406 (c) Within a county of the first class, the maximum total combined number of housing
407 and transit reinvestment zones described in Subsections (7)(a) and (b) and first home
408 investment zones created under Part 16, First Home Investment Zone Act, is 11.
- 409 (8)(a) For purposes of this Subsection (8), "entitlement agreement" means:
- 410 (i) a land use application;
- 411 (ii) a rezone petition; or
- 412 (iii) a request, petition, or application to:
- 413 (A) enact or approve a development agreement; or
- 414 (B) to amend or modify a development agreement.
- 415 (b) This Subsection (8) applies to a specified county, as defined in Section 17-80-101,
416 that has created a small public transit district on or before January 1, 2022.
- 417 (c) To accomplish the objectives described in Subsection (1), an owner of undeveloped
418 property within an unincorporated county shall have the right to develop and build a
419 mixed-use development if:
- 420 (i) the owner has submitted an entitlement agreement to the county on or before
421 December 31, 2022, and is within a [$\frac{1}{3}$] one-third mile radius of a public transit
422 hub in a county described in Subsection (8)(b), including parcels that are
423 intersected by the [$\frac{1}{3}$] one-third mile radius; and
- 424 (ii) the county described in Subsection (8)(b) has failed to approve the entitlement
425 agreement described in Subsection (8)(c)(i) by ordinance before December 31,
426 2022.
- 427 (d) The mixed use development described in Subsection (8)(c) shall include the
428 following:
- 429 (i)(A)(I) a maximum number of dwelling units equal to 30 multiplied by the
430 total acres of developable area within the mixed-use development dedicated
431 exclusively to residential use; or
- 432 (II) a maximum number of dwelling units equal to 15 multiplied by the total
433 acres of the mixed-use development; and
- 434 (B) at least 33% of the dwelling units as affordable housing;
- 435 (ii) commercial uses, including office, retail, educational, and healthcare in support of
436 the mixed-use development constituting no more than [$\frac{1}{3}$] one-third of the total

- 437 planned gross building square footage of the subject parcels; and
- 438 (iii) any other infrastructure element necessary or reasonable to support the
- 439 mixed-use development, including:
- 440 (A) parking infrastructure;
- 441 (B) streets;
- 442 (C) sidewalks;
- 443 (D) parks; and
- 444 (E) trails.
- 445 (e)(i) The mixed-use development described in this Subsection (8) may qualify for a
- 446 housing and transit reinvestment zone described in Subsection (4)(a).
- 447 (ii) The county described in Subsection (8)(b) may propose a housing and transit
- 448 reinvestment zone in accordance with this part, if the housing and transit
- 449 reinvestment zone includes:
- 450 (A)(I) an average of at least 30 dwelling units per acre within the acreage of the
- 451 housing and transit reinvestment zone dedicated to residential use; or
- 452 (II) a minimum number of 14 dwelling units per acre on average within the
- 453 acreage of the housing and transit reinvestment zone; and
- 454 (B) at least 33% of the dwelling units as affordable housing units.
- 455 (f) A county may not take an action or enforce an agreement, ordinance, regulation, or
- 456 requirement that prevents or creates development impediments to the development of
- 457 a mixed-use development as described in this Subsection (8).
- 458 (g) A county action to approve or implement the development of a mixed-use
- 459 development as described in this Subsection (8) shall constitute an administrative
- 460 action taken by the county and does not require county legislative action.

461 Section 3. Section **63N-3-604** is amended to read:

462 **63N-3-604 . Process for a proposal of a housing and transit reinvestment zone --**

463 **Analysis.**

- 464 (1) Subject to approval of the housing and transit reinvestment zone committee as described
- 465 in Section 63N-3-605, in order to create a housing and transit reinvestment zone, a
- 466 municipality or public transit county that has general land use authority over the housing
- 467 and transit reinvestment zone area, shall:
- 468 (a) prepare a proposal for the housing and transit reinvestment zone that:
- 469 (i) demonstrates that the proposed housing and transit reinvestment zone will meet
- 470 the objectives described in Subsection 63N-3-603(1);

- 471 (ii) explains how the municipality or public transit county will achieve the
472 requirements of Subsection 63N-3-603(2)(a)(i);
- 473 (iii) defines the specific transportation infrastructure needs, if any, and proposed
474 improvements and estimated budgets;
- 475 (iv) defines the boundaries of:
- 476 (A) the housing and transit reinvestment zone; and
- 477 (B) the sales and use tax boundary corresponding to the housing and transit
478 reinvestment zone boundary, as described in Section 63N-3-610;
- 479 (v) includes maps of the proposed housing and transit reinvestment zone to illustrate:
- 480 (A) the proposed boundary and radius from a public transit hub;
- 481 (B) proposed housing density within the housing and transit reinvestment zone;
- 482 and
- 483 (C) existing zoning and proposed zoning changes related to the housing and transit
484 reinvestment zone;
- 485 (vi) identifies any development impediments that prevent the development from
486 being a market-rate investment, including proposed strategies and estimated
487 budgets for addressing each one;
- 488 (vii) describes the proposed development plan and estimated budgets, including the
489 requirements described in Subsections 63N-3-603(2) and (4);
- 490 (viii) establishes a base year and collection period to calculate the property tax
491 increment within the housing and transit reinvestment zone;
- 492 (ix) establishes a sales and use tax base year to calculate the sales and use tax
493 increment within the housing and transit reinvestment zone in accordance with
494 Section 63N-3-610;
- 495 (x) describes projected maximum revenues generated and the amount of property tax
496 increment capture from each taxing entity and proposed expenditures of revenue
497 derived from the housing and transit reinvestment zone;
- 498 (xi) includes an analysis of other applicable or eligible incentives, grants, or sources
499 of revenue that can be used to reduce the finance gap;
- 500 (xii) estimates budgets and evaluates possible benefits to active and public
501 transportation availability and impacts on air quality;
- 502 (xiii) proposes a finance schedule to align expected revenue with required financing
503 costs and payments;
- 504 (xiv) provides a pro-forma for the planned development that:

- 505 (A) satisfies the requirements described in Subsections 63N-3-603(2), (3), and (4);
- 506 (B) includes data showing the cost difference between what type of development
- 507 could feasibly be developed absent the housing and transit reinvestment zone
- 508 property tax increment and the type of development that is proposed to be
- 509 developed with the housing and transit reinvestment zone property tax
- 510 increment; and
- 511 (C) provides estimated budgets and construction costs, anticipated revenue,
- 512 financing, expenses, and other sources and uses of funds for the project area;
- 513 and
- 514 (xv) for a housing and transit reinvestment zone at a commuter rail station, light rail
- 515 station, or bus rapid transit station that is proposed and not in public transit service
- 516 operation as of the date of submission of the proposal, demonstrates that the
- 517 proposed station is:
- 518 (A) included [~~as needed in phase one of a~~] in a metropolitan planning
- 519 organization's adopted long-range transportation plan[~~and in phase one of the~~
- 520 ~~relevant public transit district's adopted long-range plan~~]; and
- 521 (B) reasonably anticipated to be constructed in the near future; and
- 522 (b) submit the housing and transit reinvestment zone proposal to the Governor's Office
- 523 of Economic Opportunity.
- 524 (2) As part of the proposal described in Subsection (1), a municipality or public transit
- 525 county shall study and evaluate possible impacts of a proposed housing and transit
- 526 reinvestment zone on parking within the city and housing and transit reinvestment zone.
- 527 (3)(a) After receiving the proposal as described in Subsection (1)(b), the Governor's
- 528 Office of Economic Opportunity shall:
- 529 (i) within 14 days after the date on which the Governor's Office of Economic
- 530 Opportunity receives the proposal described in Subsection (1)(b), provide notice
- 531 of the proposal to all affected taxing entities, including the State Tax Commission,
- 532 cities, counties, school districts, metropolitan planning organizations, and the
- 533 county assessor and county auditor of the county in which the housing and transit
- 534 reinvestment zone is located; and
- 535 (ii) at the expense of the proposing municipality or public transit county as described
- 536 in Subsection (5), contract with an independent entity to perform the financial gap
- 537 analysis described in Subsection (3)(b).
- 538 (b) The gap analysis required in Subsection (3)(a)(ii) shall include:

- 539 (i) a description of the planned development;
- 540 (ii) a market analysis relative to other comparable project developments included in
541 or adjacent to the municipality or public transit county absent the proposed
542 housing and transit reinvestment zone;
- 543 (iii) an evaluation of the proposal to and a determination of the adequacy and
544 efficiency of the proposal;
- 545 (iv) an evaluation of the proposed increment capture needed to cover the enhanced
546 development costs associated with the housing and transit reinvestment zone
547 proposal and enable the proposed development to occur; and
- 548 (v) based on the market analysis and other findings, an opinion relative to the
549 appropriate amount of potential public financing reasonably determined to be
550 necessary to achieve the objectives described in Subsection 63N-3-603(1).
- 551 (c) After receiving notice from the Governor's Office of Economic Opportunity of a
552 proposed housing and transit reinvestment zone as described in Subsection (3)(a)(i),
553 the State Tax Commission shall:
- 554 (i) evaluate the feasibility of administering the tax implications of the proposal; and
555 (ii) provide a letter to the Governor's Office of Economic Opportunity describing any
556 challenges in the administration of the proposal, or indicating that the State Tax
557 Commission can feasibly administer the proposal.
- 558 (4) After receiving the results from the analysis described in Subsection (3)(b), the
559 municipality or public transit county proposing the housing and transit reinvestment
560 zone may:
- 561 (a) amend the housing and transit reinvestment zone proposal based on the findings of
562 the analysis described in Subsection (3)(b) and request that the Governor's Office of
563 Economic Opportunity submit the amended housing and transit reinvestment zone
564 proposal to the housing and transit reinvestment zone committee; or
- 565 (b) request that the Governor's Office of Economic Opportunity submit the original
566 housing and transit reinvestment zone proposal to the housing and transit
567 reinvestment zone committee.
- 568 (5)(a) The Governor's Office of Economic Opportunity may accept, as a dedicated
569 credit, up to \$20,000 from a municipality or public transit county for the costs of the
570 gap analysis described in Subsection (3)(b).
- 571 (b) The Governor's Office of Economic Opportunity may expend funds received from a
572 municipality or public transit county as dedicated credits to pay for the costs

573 associated with the gap analysis described in Subsection (3)(b).

574 Section 4. Section **63N-3-604.1** is amended to read:

575 **63N-3-604.1 . Process for proposing a convention center reinvestment zone.**

576 (1) To create a convention center reinvestment zone under this part, the Governor's Office
577 of Economic Opportunity shall, after consulting with and giving notice to the related
578 eligible municipality and county, provide a proposal for a convention center
579 reinvestment zone to the housing and transit reinvestment zone committee.

580 (2)(a) The Governor's Office of Economic Opportunity shall ensure that a proposal for
581 the creation of a convention center reinvestment zone includes the following
582 information and data that:

583 (i) defines the boundary of the proposed convention center reinvestment zone;

584 (ii) describes generally the proposed development plan;

585 (iii) identifies a base year and collection period to calculate the property tax
586 increment within the convention center reinvestment zone;

587 (iv) specifies a sales and use tax base year to calculate the sales and use tax increment
588 within the convention center reinvestment zone in accordance with Section
589 63N-3-610.1;

590 (v) provides estimated project and investment objectives for the convention center
591 reinvestment zone; and

592 (vi) outlines generally the impacts on transportation in and around the proposed
593 convention center reinvestment zone.

594 (b) For a convention center reinvestment zone in a capital city, the proposal described in
595 Subsection (2)(a) shall also provide estimated budgets and construction costs,
596 anticipated revenue, financing, expenses, and other sources and uses of funds for the
597 project area.

598 (c) The proposal described in Subsection (2)(b) shall limit the use of funds to:

599 (i) a convention center;

600 (ii) a publicly owned entertainment venue;

601 (iii) parking; and

602 (iv) infrastructure related to the project.

603 (3) A proposal by the Governor's Office of Economic Opportunity for a convention center
604 reinvestment zone shall demonstrate how the information and data provided in the
605 proposal [~~pursuant to~~] described in Subsection (2) furthers the objectives described in
606 Section 63N-3-603.1 and is in the public interest.

607 (4) After submitting the proposal as described in Subsection (2), the Governor's Office of
 608 Economic Opportunity shall provide notice of the proposal to all affected taxing entities,
 609 including the State Tax Commission, cities, counties, school districts, metropolitan
 610 planning organizations, and the county assessor and county auditor of the county in
 611 which the convention center reinvestment zone is located.

612 (5) After receiving notice from the Governor's Office of Economic Opportunity of a
 613 proposed convention center reinvestment zone as described in Subsection (4), the State
 614 Tax Commission shall, within 14 days:

- 615 (a) evaluate the feasibility of administering the tax implications of the proposal; and
- 616 (b) provide a letter to the Governor's Office of Economic Opportunity describing any
 617 challenges in the administration of the proposal, or indicating that the State Tax
 618 Commission can feasibly administer the proposal.

619 Section 5. Section **63N-3-605** is amended to read:

620 **63N-3-605 . Housing and transit reinvestment zone committee -- Creation.**

- 621 (1) For any housing and transit reinvestment zone~~[proposed under this part]~~, convention
 622 center reinvestment zone, convention center reinvestment zone in a capital city, or for a
 623 first home investment zone proposed ~~[in accordance with Part 16, First Home~~
 624 Investment Zone Act] under this chapter, there is created a housing and transit
 625 reinvestment zone committee with membership described in Subsection (2).
- 626 (2) Each housing and transit reinvestment zone committee shall consist of the following
 627 members:
 - 628 (a) one representative from the Governor's Office of Economic Opportunity, designated
 629 by the executive director of the Governor's Office of Economic Opportunity;
 - 630 (b) one representative from each municipality that is a party to the proposed housing and
 631 transit reinvestment zone or first home investment zone, designated by the chief
 632 executive officer of each respective municipality;
 - 633 (c) a member of the Transportation Commission created in Section 72-1-301;
 - 634 (d) a member of the board of trustees of a large public transit district;
 - 635 (e) one individual from the Office of the State Treasurer, designated by the state
 636 treasurer;
 - 637 (f) two members designated by the president of the Senate;
 - 638 (g) two members designated by the speaker of the House of Representatives;
 - 639 (h) one member designated by the chief executive officer of each county affected by the
 640 housing and transit reinvestment zone or first home investment zone;

- 641 (i) two representatives designated by the school superintendent from the school district
642 affected by the housing and transit reinvestment zone or first home investment zone;
643 and
- 644 (j) one representative, representing the largest participating local taxing entity, after the
645 municipality, county, and school district.
- 646 (3) The individual designated by the Governor's Office of Economic Opportunity as
647 described in Subsection (2)(a) shall serve as chair of the housing and transit
648 reinvestment zone committee.
- 649 (4)(a) A majority of the members of the housing and transit reinvestment zone
650 committee constitutes a quorum of the housing and transit reinvestment zone
651 committee.
- 652 (b) An action by a majority of a quorum of the housing and transit reinvestment zone
653 committee is an action of the housing and transit reinvestment zone committee.
- 654 (5)(a) After the Governor's Office of Economic Opportunity receives the results of the
655 analysis described in Section 63N-3-604, and after the Governor's Office of
656 Economic Opportunity has received a request from the submitting municipality or
657 public transit county to submit the housing and transit reinvestment zone proposal to
658 the housing and transit reinvestment zone committee, the Governor's Office of
659 Economic Opportunity shall notify each of the entities described in Subsection (2) of
660 the formation of the housing and transit reinvestment zone committee.
- 661 (b) For a first home investment zone, the housing and transit reinvestment zone
662 committee shall follow the procedures described in Section 63N-3-1604.
- 663 (6)(a) The chair of the housing and transit reinvestment zone committee shall convene a
664 public meeting to consider the proposed housing and transit reinvestment zone.
- 665 (b) A meeting of the housing and transit reinvestment zone committee is subject to Title
666 52, Chapter 4, Open and Public Meetings Act.
- 667 (7)(a) The proposing municipality or public transit county shall present the housing and
668 transit reinvestment zone proposal to the housing and transit reinvestment zone
669 committee in a public meeting.
- 670 (b) The housing and transit reinvestment zone committee shall, for a housing and transit
671 reinvestment zone proposal:
- 672 (i) evaluate and verify whether the elements of a housing and transit reinvestment
673 zone described in Subsections 63N-3-603(2) and (4) have been met; and
674 (ii) evaluate the proposed housing and transit reinvestment zone relative to the

- 675 analysis described in Subsection 63N-3-604(2).
- 676 (c) The housing and transit reinvestment zone committee shall, for a convention center
677 reinvestment zone proposal, evaluate and verify whether the objectives of a
678 convention center reinvestment zone described in Section 63N-3-603.1 have been
679 met.
- 680 (8)(a) Subject to Subsection (8)(b), the housing and transit reinvestment zone committee
681 may:
- 682 (i)(A) for a housing and transit reinvestment zone, request changes to the housing
683 and transit reinvestment zone proposal based on the analysis, characteristics,
684 and criteria described in Section 63N-3-604; or
- 685 (B) for a convention center reinvestment zone, request changes to the convention
686 center reinvestment zone proposal based on the characteristics and criteria
687 described in Sections 63N-3-603.1 and 63N-3-604.1; or
- 688 (ii) vote to approve or deny the proposal.
- 689 (b) Before the housing and transit reinvestment zone committee may approve the
690 housing and transit reinvestment zone proposal, the municipality or public transit
691 county proposing the housing and transit reinvestment zone shall ensure that the area
692 of the proposed housing and transit reinvestment zone is zoned in such a manner to
693 accommodate the requirements of a housing and transit reinvestment zone described
694 in this section and the proposed development.
- 695 (9) If a housing and transit reinvestment zone, convention center reinvestment zone, or first
696 home investment zone is approved by the housing and transit reinvestment zone
697 committee:
- 698 (a) the proposed housing and transit reinvestment zone, convention center reinvestment
699 zone, or first home investment zone is established according to the terms of the
700 housing and transit reinvestment zone proposal;
- 701 (b) the municipality or public transit county proposing the housing and transit
702 reinvestment zone, convention center reinvestment zone, or first home investment
703 zone:
- 704 (i) shall enter into an entitlement agreement, interlocal agreement, development
705 agreement, or participation agreement that is necessary or required to implement
706 the approved housing and transit reinvestment zone, convention center
707 reinvestment zone, or first home investment zone proposal; and
- 708 (ii) may not reduce the density or alter other zoning uses that are permitted at the

709 time the housing and transit reinvestment zone, convention center reinvestment
 710 zone, or first home investment zone proposal is approved, unless, in accordance
 711 with Subsection (10):

712 (A) the municipality or public transit district presents an amendment to the
 713 housing and transit reinvestment zone, convention center reinvestment zone, or
 714 first home investment zone proposal to the housing and transit reinvestment
 715 zone committee that demonstrates a compelling public interest to alter the
 716 approved zoning; and

717 (B) the housing and transit reinvestment zone committee approves to amend the
 718 housing and transit reinvestment zone, convention center reinvestment zone, or
 719 first home investment zone proposal;

720 (c) ~~[affected-]~~ each affected local taxing [entities-are] entity is required to participate
 721 according to the terms of the housing and transit reinvestment zone proposal; and
 722 ~~[(e)]~~ (d) each affected taxing entity is required to participate at the same rate.

723 (10) A housing and transit reinvestment zone, convention center reinvestment zone, or first
 724 home investment zone proposal may be amended by following the same procedure as
 725 approving a housing and transit reinvestment zone proposal.

726 (11) The housing and transit reinvestment zone committee may amend or terminate an
 727 established housing and transit reinvestment zone, convention center reinvestment zone,
 728 or first home investment zone if:

729 (a) the municipality or public transit county fails to meet the objectives of the approved
 730 housing and transit reinvestment zone, convention center reinvestment zone, or first
 731 home investment zone proposal; or

732 (b) the developer fails to meet the objectives of the approved housing and transit
 733 reinvestment zone, convention center reinvestment zone, or first home investment
 734 zone proposal within four years from the day the proposal is approved by the housing
 735 and transit reinvestment zone committee.

736 ~~[(H)]~~ (12)(a) The approval for a convention center reinvestment zone in a capital city
 737 may be completed with a condition that the relevant municipality also create a public
 738 infrastructure district as provided in Subsection 63N-3-607(8)(b).

739 (b) The approval described in Subsection ~~[(H)(a)]~~ (12)(a) shall verify that the
 740 requirements and limitations on use of funds is limited to the conditions described
 741 under Subsections 63N-3-604.1(2)(b) and (c).

742 Section 6. Section **63N-3-607** is amended to read:

743 **63N-3-607 . Payment, use, and administration of revenue from a housing and**
744 **transit reinvestment zone.**

745 (1) In accordance with this part:

746 (a) a municipality or public transit county may receive and use property tax increment
747 and housing and transit reinvestment zone funds;

748 (b)(i) a public infrastructure district shall use the funds from a convention center
749 reinvestment zone in a capital city within or for the benefit of a convention center
750 reinvestment zone in a capital city; and

751 (ii) funds from a convention center reinvestment zone in a capital city may be used
752 outside of the capital city convention center reinvestment zone if the use meets the
753 objectives described in Section 63N-3-603.1 and is determined by the board of the
754 public infrastructure district to be a direct benefit to the convention center
755 reinvestment zone in a capital city; and

756 (c) a municipality or a public infrastructure district may receive and use property tax
757 increment and convention center reinvestment zone funds for a convention center
758 reinvestment zone that is not within a capital city.

759 (2)(a) Except as provided in Subsection (3), a county that collects property tax on
760 property located within a housing and transit reinvestment zone shall, in accordance
761 with Section 59-2-1365, distribute to the municipality or public transit county any
762 property tax increment the municipality or public transit county is authorized to
763 receive up to the maximum approved by the housing and transit reinvestment zone
764 committee.

765 (b) Property tax increment distributed to a municipality or public transit county in
766 accordance with Subsection (2)(a) is not revenue of the taxing entity or municipality
767 or public transit county.

768 (c)(i) Property tax increment paid to the municipality or public transit county are
769 housing and transit reinvestment zone funds and shall be administered by an
770 agency created by the municipality or public transit county within which the
771 housing and transit reinvestment zone is located.

772 (ii) Before an agency may receive housing and transit reinvestment zone funds from
773 the municipality or public transit county, the municipality or public transit county
774 and the agency shall enter into an interlocal agreement with terms that:

775 (A) are consistent with the approval of the housing and transit reinvestment zone
776 committee; and

- 777 (B) meet the requirements of Section 63N-3-603 or, for a convention center
778 reinvestment zone, the requirements of Section 63N-3-603.1.
- 779 (3)(a) A county that collects property tax on property located within a convention center
780 reinvestment zone shall, in accordance with Section 59-2-1365, distribute to the
781 relevant public infrastructure district created by the eligible municipality any
782 property tax increment the public infrastructure district is authorized to receive up to
783 the amounts approved by the housing and transit reinvestment zone committee.
- 784 (b) Property tax increment distributed to a public infrastructure district in accordance
785 with Subsection (3)(a) is not revenue of the taxing entity or municipality.
- 786 (c) Property tax increment paid to the public infrastructure district are convention center
787 reinvestment zone funds and shall be administered by the public infrastructure district
788 within which the convention center reinvestment zone is located.
- 789 (4)(a)(i) A municipality or public transit county and agency shall use housing and
790 transit reinvestment zone funds within, or for the direct benefit of, the housing and
791 transit reinvestment zone.
- 792 (ii) A public infrastructure district shall use convention center reinvestment zone
793 funds within, or for the benefit of, the convention center reinvestment zone.
- 794 (b) If any housing and transit reinvestment zone funds will be used outside of the
795 housing and transit reinvestment zone, there must be a finding in the approved
796 proposal for a housing and transit reinvestment zone that the use of the housing and
797 transit reinvestment zone funds outside of the housing and transit reinvestment zone
798 will directly benefit the housing and transit reinvestment zone.
- 799 (5)(a) A municipality or public transit county shall use housing and transit reinvestment
800 zone funds to achieve the purposes described in Subsections 63N-3-603(1) and (2),
801 by paying all or part of the costs of any of the following:
- 802 (i) income targeted housing costs;
- 803 (ii) structured parking within the housing and transit reinvestment zone;
- 804 (iii) enhanced development costs;
- 805 (iv) horizontal construction costs;
- 806 (v) vertical construction costs;
- 807 (vi) property acquisition costs within the housing and transit reinvestment zone;
- 808 (vii) the costs of the municipality or public transit county to create and administer the
809 housing and transit reinvestment zone, which may not exceed 2% of the total
810 housing and transit reinvestment zone funds, plus the costs to complete the gap

- 811 analysis described in Subsection 63N-3-604(2); or
- 812 (viii) subject to Subsection (5)(b), costs for the construction or expansion of child
- 813 care facilities within the boundary of the housing and transit reinvestment zone.
- 814 (b) A municipality or public transit county may not use more than 1% of the total
- 815 housing and transit reinvestment zone funds to pay costs described in Subsection
- 816 (5)(a)(viii).
- 817 (c) A public infrastructure district shall use convention center reinvestment zone funds
- 818 to achieve the purposes described in Section 63N-3-603.1.
- 819 (d)(i) As used in this Subsection (5)(d), "extraterritorial affordable housing" means
- 820 affordable housing, as that term is defined in Section 63N-3-1601, that:
- 821 (A) is located within the municipality proposing the housing and transit
- 822 reinvestment zone but outside the boundary of the housing and transit
- 823 reinvestment zone;
- 824 (B) is part of a development with a density of at least six units per acre;
- 825 (C) is required to be owner occupied for no less than 25 years; and
- 826 (D) has not been issued a building permit by the municipality as of the date of the
- 827 approval of the housing and transit reinvestment zone.
- 828 (ii) A municipality or public district county may use housing and transit reinvestment
- 829 zone funds on extraterritorial affordable housing costs if the municipality or
- 830 public transit county satisfies the requirement described under Subsection (4)(b).
- 831 (iii) One hundred percent of extraterritorial affordable housing shall meet the
- 832 affordable housing requirements described in Section 63N-3-1601.
- 833 (6) Housing and transit reinvestment zone funds may be paid to a participant, if the agency
- 834 and participant enter into a participation agreement that requires the participant to utilize
- 835 the housing and transit reinvestment zone funds as allowed in this section.
- 836 (7)(a) Housing and transit reinvestment zone funds may be used to pay all of the costs of
- 837 bonds issued by the municipality or public transit county in accordance with Title
- 838 17C, Chapter 1, Part 5, Agency Bonds, including the cost to issue and repay the
- 839 bonds including interest.
- 840 (b) Convention center reinvestment zone funds may be used to pay all of the costs of
- 841 debt incurred by the public infrastructure district, including the cost to issue and
- 842 repay the debt including interest.
- 843 (8)(a) A municipality or public transit county may create one or more public
- 844 infrastructure districts within the housing and transit reinvestment zone under Title

845 17D, Chapter 4, Public Infrastructure District Act, and pledge and utilize the housing
 846 and transit reinvestment zone funds to guarantee the payment of public infrastructure
 847 bonds issued by a public infrastructure district.

848 (b) An eligible municipality that is a capital city shall create one or more public
 849 infrastructure districts within the convention center reinvestment zone under Title
 850 17D, Chapter 4, Public Infrastructure District Act, and the convention center
 851 reinvestment zone funds may be used to pay all or any portion of debt incurred by the
 852 public infrastructure district, including the cost to issue and repay the debt including
 853 interest.

854 Section 7. Section **63N-3-608** is amended to read:

855 **63N-3-608 . Applicability to an existing community reinvestment project.**

856 (1) For a housing and transit reinvestment zone created under this part that overlaps any
 857 portion of an existing inactive industrial site community reinvestment project area plan
 858 created in accordance with Title 17C, Limited Purpose Local Government Entities -
 859 Community Reinvestment Agency Act:

860 (a) if the community reinvestment project area plan captures less than 80% of the
 861 property tax increment from a taxing entity, or if a taxing entity is not participating in
 862 the community reinvestment project area plan, the housing and transit reinvestment
 863 zone may capture the difference between:

864 (i) 80%; and

865 (ii) the percentage of property tax increment captured ~~[pursuant to]~~ in accordance with
 866 the community reinvestment project area plan; and

867 (b) if a community reinvestment project area plan expires before the housing and transit
 868 reinvestment zone, the housing and transit reinvestment zone may capture the
 869 property tax increment allocated to the community reinvestment project area plan for
 870 any remaining portion of the term of the housing and transit reinvestment zone and
 871 the base year shall be updated in accordance with Subsection 63N-3-602(4).

872 (2) For a housing and transit reinvestment zone created under this part that overlaps any
 873 portion of an existing community reinvestment project area plan created in accordance
 874 with Title 17C, Limited Purpose Local Government Entities - Community Reinvestment
 875 Agency Act, that includes a retail facility with a gross sales floor area greater than
 876 140,000 square feet, and if the development includes at least one housing unit for every
 877 1,250 square feet of retail space within the development:

878 (a) if the community reinvestment project area captures less than 80% of the property

879 tax increment from a taxing entity, or if a taxing entity is not participating in the
880 community reinvestment project area plan, the housing and transit reinvestment zone
881 may capture the difference between:

882 (i) 80%; and

883 (ii) the percentage of property tax increment captured in accordance with the
884 community reinvestment project area plan; and

885 (b) If a community reinvestment project area plan expires before the housing and transit
886 reinvestment zone, the housing and transit reinvestment zone may not capture the
887 property tax increment allocated to the community reinvestment project area plan for
888 any remaining portion of the term of the housing and transit reinvestment zone and
889 the base year shall be updated in accordance with Subsection 63N-3-602(4).

890 (c) The county assessor shall verify that the retail facility and housing unit requirements
891 described in Subsection (2) are met before the housing and transit reinvestment zone
892 may capture the property tax increment described in Subsection (2)(a).

893 (3) For a convention center reinvestment zone created under this part that overlaps any
894 portion of an existing community reinvestment project area created in accordance with
895 Title 17C, Limited Purpose Local Government Entities - Community Reinvestment
896 Agency Act:

897 (a) if the community reinvestment project area captures less than 100% of the property
898 tax increment from a taxing entity, or if a taxing entity is not participating in the
899 community reinvestment project area, the convention center reinvestment zone may
900 capture the difference between:

901 (i) 100%; and

902 (ii) the percentage of property tax increment captured [pursuant to] in accordance with
903 the community reinvestment project area for each taxing entity; and

904 (b) if a community reinvestment project area plan expires before the convention center
905 reinvestment zone, the convention center reinvestment zone may capture the property
906 tax increment allocated to the community reinvestment project area for any
907 remaining portion of the term of the convention center reinvestment zone with the
908 base year relating back to the base year established by the community reinvestment
909 project area.

910 (4) Except as provided in this section, a housing and transit reinvestment zone may not
911 overlap any portion of an existing community reinvestment project area plan created in
912 accordance with Title 17C, Limited Purpose Local Government Entities - Community

913 Reinvestment Agency Act.

914 Section 8. Section **63N-3-611** is amended to read:

915 **63N-3-611 . Boundary adjustments.**

916 [~~If the relevant county assessor or county auditor adjusts parcel boundaries relevant~~
- 917 ~~to a housing and transit reinvestment zone or a convention center reinvestment zone, the~~
- 918 ~~municipality administering the property tax increment collected in the housing and transit~~
- 919 ~~reinvestment zone, or for a convention center reinvestment zone, the Governor's Office of~~
- 920 ~~Economic Opportunity may make corresponding adjustments to the boundary of the housing~~
- 921 ~~and transit reinvestment zone.]~~

922 (1)(a) Subject to the requirements under this part, and after the housing and transit
923 reinvestment zone committee approves a housing and transit reinvestment zone or a
924 convention center reinvestment zone proposal in accordance with Section 63N-3-605,
925 the Governor's Office of Economic Opportunity shall consult with the relevant
926 county auditor to determine a boundary adjustment to a housing and transit
927 reinvestment zone or a convention center reinvestment zone.

928 (b) If a boundary adjustment under Subsection (1)(a) is requested, the county assessor
929 shall request approval of the proposed boundary adjustment from the housing and
930 transit reinvestment zone committee before approving the boundary adjustment.

931 (c) A parcel may only be triggered for property tax increment collection on the legal
932 parcel boundary drawn at the time the parcel is triggered for property tax increment
933 collection.

934 (2) A boundary adjustment that results in an area that does not fall within or bisect the
935 radius requirements described in this part is allowed if:

936 (a) the Governor's Office of Economic Opportunity determines that including the parcel
937 in the housing and transit reinvestment zone or convention center reinvestment zone
938 has a reasonable nexus to the purposes described in the relevant housing and transit
939 reinvestment zone or convention center reinvestment zone proposal;

940 (b) the total number of acres within the housing and transit reinvestment zone or
941 convention center reinvestment zone are equal to or less than the maximum number
942 of acres allowed within a housing and transit reinvestment zone or convention center
943 reinvestment zone described in this part; and

944 (c) the boundary adjustment does not create a parcel that is entirely located outside
945 one-half mile from a transit station.

946 (3)(a) A housing and transit reinvestment zone or convention center reinvestment zone

947 shall be governed by the law in effect on the date the application for the housing and
 948 transit reinvestment zone or convention center reinvestment zone was approved by
 949 the housing and transit reinvestment zone committee.

950 (b) Notwithstanding Subsection (3)(a), an approved housing and transit reinvestment
 951 zone proposal submitted before May 1, 2024, shall be governed by the base year and
 952 triggering defined in code before January 1, 2023.

953 Section 9. Section **63N-3-1603** is amended to read:

954 **63N-3-1603 . Process for a proposal of a first home investment zone.**

955 (1) Subject to approval of the housing and transit reinvestment zone committee as described
 956 in Section 63N-3-1604, in order to create a first home investment zone, a municipality
 957 that has general land use authority over the first home investment zone area, shall:

958 (a) prepare a proposal for the first home investment zone that:

959 (i) demonstrates that the proposed first home investment zone will meet the
 960 objectives described in Subsection 63N-3-1602(1);

961 (ii) explains how the municipality will achieve the requirements of Subsection
 962 63N-3-1602(2);

963 (iii) defines the specific infrastructure needs, if any, and proposed improvements;

964 (iv) demonstrates how the first home investment zone will ensure:

965 (A) sufficient pedestrian access to schools and other areas of community; and

966 (B) inclusion of child care facilities and access;

967 (v) defines the boundaries of the first home investment zone;

968 (vi) includes maps of the proposed first home investment zone to illustrate:

969 (A) proposed housing density within the first home investment zone;

970 (B) extraterritorial homes relevant to the first home investment zone, including
 971 density of the development of extraterritorial homes; and

972 (C) existing zoning and proposed zoning changes related to the first home
 973 investment zone;

974 (vii) identifies any development impediments that prevent the development from
 975 being a market-rate investment and proposed strategies for addressing each one;

976 (viii) describes the proposed development plan, including the requirements described
 977 in Subsections 63N-3-1602(2) and (4);

978 (ix) establishes the collection period or periods to calculate the tax increment;

979 (x) describes projected maximum revenues generated and the amount of tax
 980 increment capture from each taxing entity and proposed expenditures of revenue

981 derived from the first home investment zone;

982 (xi) includes an analysis of other applicable or eligible incentives, grants, or sources
983 of revenue that can be used to reduce the finance gap;

984 (xii) proposes a finance schedule to align expected revenue with required financing
985 costs and payments;

986 (xiii) evaluates possible benefits to active transportation, public transportation
987 availability and utilization, street connectivity, and air quality; and

988 (xiv) provides a pro forma for the planned development that:

989 (A) satisfies the requirements described in Subsections 63N-3-1602(2) and (4); and

990 (B) includes data showing the cost difference between what type of development
991 could feasibly be developed absent the first home investment zone tax
992 increment and the type of development that is proposed to be developed with
993 the first home investment zone tax increment;

994 (b) submit the proposal to the relevant school district to discuss the requirements of the
995 proposal and whether the proposal provides the benefits and achieves the objectives
996 described in this part; and

997 (c) submit the first home investment zone proposal to the Governor's Office of
998 Economic Opportunity.

999 (2) As part of the proposal described in Subsection (1), a municipality shall:

1000 (a) study and evaluate possible impacts of a proposed first home investment zone on
1001 parking and efficient use of land within the municipality and first home investment
1002 zone; and

1003 (b) include in the first home investment zone proposal the findings of the study
1004 described in Subsection (2)(a) and proposed strategies to efficiently address parking
1005 impacts.

1006 (3)(a) After receiving the proposal as described in Subsection (1)(c), the Governor's
1007 Office of Economic Opportunity shall:

1008 (i) within 14 days after the date on which the Governor's Office of Economic
1009 Opportunity receives the proposal described in Subsection (1)(c), provide notice
1010 of the proposal to all affected taxing entities, including the State Tax Commission,
1011 cities, counties, school districts, metropolitan planning organizations, and the
1012 county assessor and county auditor of the county in which the first home
1013 investment zone is located; and

1014 (ii) at the expense of the proposing municipality as described in Subsection (5),

- 1015 contract with an independent entity to:
- 1016 (A) perform the gap analysis described in Subsection (3)(b); and
- 1017 (B) perform an analysis of the pro-forma described in Subsection (1)(a)(xiv)(B)
- 1018 and the feasibility of the proposed development absent the tax increment.
- 1019 (b) The gap and pro-forma analysis required in Subsection (3)(a)(ii) shall include:
- 1020 (i) a description of the planned development;
- 1021 (ii) a market analysis relative to other comparable project developments included in
- 1022 or adjacent to the municipality absent the proposed first home investment zone;
- 1023 (iii) an evaluation of the proposal and a determination of the adequacy and efficiency
- 1024 of the proposal;
- 1025 (iv) an evaluation of the proposed tax increment capture needed to cover the system
- 1026 improvements and project improvements associated with the first home
- 1027 investment zone proposal and enable the proposed development to occur, and for
- 1028 the benefit of affordable housing projects; and
- 1029 (v) based on the market analysis and other findings, an opinion relative to the
- 1030 appropriate amount of potential public financing reasonably determined to be
- 1031 necessary to achieve the objectives described in Subsection 63N-3-1602(1).
- 1032 (c) After receiving notice from the Governor's Office of Economic Opportunity of a
- 1033 proposed first home investment zone as described in Subsection (3)(a)(i), the
- 1034 municipality, in consultation with the county assessor, the county auditor, and the
- 1035 State Tax Commission, shall:
- 1036 (i) evaluate the feasibility of administering the tax implications of the proposal; and
- 1037 (ii) provide a letter to the Governor's Office of Economic Opportunity describing any
- 1038 challenges in the administration of the proposal, or indicating that the county
- 1039 assessor can feasibly administer the proposal.
- 1040 (4) After receiving the results from the analysis described in Subsection (3)(b), the
- 1041 municipality proposing the first home investment zone may:
- 1042 (a) amend the first home investment zone proposal based on the findings of the analysis
- 1043 described in Subsection (3)(b) and request that the Governor's Office of Economic
- 1044 Opportunity submit the amended first home investment zone proposal to the housing
- 1045 and transit reinvestment zone committee; or
- 1046 (b) request that the Governor's Office of Economic Opportunity submit the original first
- 1047 home investment zone proposal to the housing and transit reinvestment zone
- 1048 committee.

1049 (5)(a) The Governor's Office of Economic Opportunity may accept, as a dedicated
 1050 credit, up to \$20,000 from a municipality for the costs of the gap analysis described
 1051 in Subsection (3)(b).

1052 (b) The Governor's Office of Economic Opportunity may expend funds received from a
 1053 municipality as dedicated credits to pay for the costs associated with the gap analysis
 1054 described in Subsection (3)(b).

1055 Section 10. Section **63N-3-1609** is amended to read:

1056 **63N-3-1609 . Boundary adjustments.**

1057 [~~If the relevant county assessor or county auditor adjusts parcel boundaries relevant~~
 -1058 ~~to a first home investment zone, the municipality administering the tax increment collected in~~
 -1059 ~~the first home investment zone may make corresponding adjustments to the boundary of the~~
 -1060 ~~first home investment zone.]~~

1061 (1)(a) Subject to the requirements under this part, and after the housing and transit
 1062 reinvestment zone committee approves a first home investment zone proposal in
 1063 accordance with Section 63N-3-1604, the Governor's Office of Economic
 1064 Opportunity shall consult with the relevant county auditor to determine a boundary
 1065 adjustment to parcel boundaries relevant to a first home investment zone.

1066 (b) If a boundary adjustment under Subsection (1)(a) is requested, the county assessor
 1067 shall request approval of the proposed boundary adjustment from the housing and
 1068 transit reinvestment zone committee before approving the boundary adjustment.

1069 (c) A parcel may only be triggered for property tax increment collection on the legal
 1070 parcel boundary drawn at the time the parcel is triggered for property tax increment
 1071 collection.

1072 (2) A boundary adjustment that results in an area that does not fall within or bisect the
 1073 radius requirements described in this part is allowed if:

1074 (a) the Governor's Office of Economic Opportunity determines that including the parcel
 1075 in the first home investment zone has a reasonable nexus to the purposes described in
 1076 the relevant first home investment zone proposal;

1077 (b) the total number of acres within the first home investment zone is equal to or less
 1078 than the maximum number of acres allowed within a first home investment zone
 1079 described in this part; and

1080 (c) the boundary adjustment does not create a parcel that is entirely located outside
 1081 one-half mile from a transit station.

1082 Section 11. **Effective Date.**

1083 This bill takes effect on May 6, 2026.